

VZCZCXRO9746
PP RUEHCHI RUEHDT RUEHHM RUEHNH
DE RUEHPF #1376/01 3110127
ZNR UUUUU ZZH
P 070127Z NOV 07
FM AMEMBASSY PHNOM PENH
TO RUEHC/SECSTATE WASHDC PRIORITY 9085
RUCNASE/ASEAN MEMBER COLLECTIVE
RHMFIUU/DEPT OF JUSTICE WASHINGTON DC
RUEABND/DEA HQS WASHINGTON DC
RHHMUNB/JIATF WEST

UNCLAS SECTION 01 OF 05 PHNOM PENH 001376

SIPDIS

SIPDIS

DEPT FOR INL--JLYLE AND CBOULDIN, EAP/MLS, AND EAP/RSP
BANGKOK FOR NAS--TDARU
JIATF WEST FOR BKONST, DKILBOURN

E.O. 12958: N/A
TAGS: [SNAR](#) [CB](#)
SUBJECT: CAMBODIA INCSR REPORT PART I

REF: STATE 136782

11. The following is post's submission for the 2008 International
Narcotics Control Strategy Report Part 1.

12. Begin text:

Cambodia

1I. Summary

With the recent discovery of a major methamphetamine laboratory, Cambodia now has a confirmed role in drug production, consumption, and trafficking. In recent years, crackdowns on drug trafficking in Thailand and China have pushed traffickers to use other routes, including through Cambodia by land, river, sea, and air. Drug use, particularly of amphetamine-type stimulants (ATS), cuts across socio-economic lines. Effective law enforcement responses to the methamphetamine lab, a highly successful lab clean up effort, significant increases to the budget of the National Authority for Combating Drugs (NACD), and stiffening penalties for drug use and trafficking are all steps in the right direction. However, continuing concerns about corruption, lack of capacity, and low counternarcotics funding levels--even with the new budget increase--hamper government efforts. The NACD and the Anti-Drug Police cooperate closely with the U.S. Drug Enforcement Administration (DEA), regional counterparts, and the United Nations Office on Drugs and Crime (UNODC). Cambodia is a party to the 1988 UN Drug Convention.

II. Status of Country

The April 2007 discovery of a major methamphetamine production lab in Cambodia confirmed suspicions that in recent years the country's narcotics problem has grown from transit and consumption to include production as well. Many experts believe that additional clandestine labs are operating in the country. Mobile groups harvest *dysoxylum loureiri* trees in environmentally protected areas in the Cardamom Mountains and extract safrole oil. The harvest, sale, and export of safrole oil--which can be used as a precursor for ecstasy production as well as for other purposes, such as perfume or massage oil--is illegal in Cambodia. In October 2007, Thai authorities intercepted a 50 ton shipment of safrole oil which had originated in Cambodia and was reportedly destined for the U.S. and China.

ATS and heroin enter Cambodia primarily through the northern provinces of Stung Treng, Preah Vihear, and Ratanakiri, areas bordering Laos, Thailand, and Vietnam. Small shipments of heroin and ATS enter and exit Cambodia overland. Larger shipments of heroin, methamphetamine and marijuana are thought to exit Cambodia concealed in shipping containers, speedboats and ocean-going

vessels. Drugs, including cocaine and heroin, are also smuggled on commercial flights concealed in small briefcases, shoes, and on/in the bodies of individual travelers. Some cannabis cultivation continues despite a government eradication campaign.

ATS is the most prevalent narcotic in Cambodia, accounting for nearly 80% of drug use according to the NACD. Both ATS tablets, known locally as yama, and crystal methamphetamine are widely available. Heroin use is a significant problem among a relatively small number of users, three-quarters of whom are in Phnom Penh according to NACD statistics. Cocaine, ketamine, and opium are also available in Cambodia. Glue sniffing is also a large problem, particularly among street children.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Cambodian narcotics policy and law enforcement agencies suffer from limited resources, lack of training, and poor coordination. Under new leadership and with a 55% budget increase in 2007, the NACD has made strides in becoming a more effective organization. A UNODC project slated to run from 2008-2010 aims to build capacity at the NACD through structural and functional reform, managerial and technical capacity building, and a stronger national drug control network.

The NACD is implementing Cambodia's first 5-year national plan on narcotics control (2006-2010), which focuses on demand reduction, supply reduction, drug law enforcement, and expansion of international cooperation.

Over the past few years the Cambodian government has worked to strengthen previously weak legal penalties for drug-related offenses. A new drug law, drafted with help from the Anti-Drug Police and passed in 2005, provides for a maximum penalty of \$25,000 (100,000,000 riel) fine and life imprisonment for drug traffickers,

PHNOM PENH 00001376 002 OF 005

and allows proceeds from the sale of seized assets to be used towards law enforcement and drug awareness and prevention efforts. However, some observers have noted that the law is too complex for the relatively weak Cambodian judiciary to use effectively. In July 2007, the Ministry of Health issued a prakas increasing penalties for safrole oil production and distribution to two to five years in jail plus fines.

Law Enforcement Efforts. In general, drug-related arrests and seizures have declined in 2007, although big cases such as the April superlab raid and the August bust of a tabletting facility by military police show some credible law enforcement action. According to NACD reports, 229 people were arrested for various drug-related offenses in the first nine months of 2007, compared to 439 in the first nine months of 2006. Similarly, total seizures of methamphetamine pills declined 13% and heroin seized declined 25%. Coming after several years of increasing arrests and seizures, it is difficult to determine if lower levels in this time frame are part of a new trend in trafficking or law enforcement capability, or merely a statistical variation.

On April 1, 2007, police raided a methamphetamine lab in Kampong Speu province, arresting 18 suspects including 14 Cambodians, three Chinese and one Thai national, and seizing nearly six tons of drug-making chemicals. Two additional Cambodian suspects were later arrested. The laboratory was capable only of the first stage of methamphetamine manufacture, producing the intermediate product chloroephedrine. This lab, the first uncovered in Cambodia, was among the largest discovered in Southeast Asia to date.

Corruption. The Cambodian government does not, as a matter of government policy, encourage or facilitate illicit production or distribution of drugs or controlled substances, or launder proceeds from their transactions. Nonetheless, corruption remains pervasive in Cambodia, making Cambodia highly vulnerable to penetration by drug traffickers and foreign crime syndicates. Senior Cambodian government officials assert that they want to combat trafficking and production; however, corruption, low salaries for civil servants, and an acute shortage of trained personnel severely limit sustained advances in effective law enforcement. The judicial system is weak,

and there have been numerous cases of defendants in important criminal cases having charges against them dropped after paying relatively small fines, circumstances which raise questions about corruption.

In July 2006, Heng Pov, the former chief of the Anti-Drug Police, fled Cambodia and alleged that high-ranking government officials and well-connected businessmen were involved in drug trafficking but were not prosecuted due to government pressure. In August 2007, Oum Chhay, a tycoon and political advisor who was charged with involvement in the Kampong Speu superlab, died in police custody. The police maintain that he committed suicide by jumping out a window. Some observers allege that he was murdered, noting with suspicion that he was being supervised by three guards at the time of his death, died due to a fall from a first-story window, and landed on his back. It is difficult to assess the credibility of these claims.

At the Consultative Group (CG) meeting in December 2004, a group of donor countries jointly proposed a new benchmark for Cambodian government reform: forwarding an anticorruption law, which meets international best practices, to the National Assembly. The government agreed to meet this benchmark by the next CG meeting, which was held in March 2006. Unfortunately, the government failed to meet this deadline and, as of October 2007, had still not completed the law. A government committee was in the process of reviewing possible models in Singapore and Hong Kong. At each quarterly meeting of the Government-Donor Coordinating Committee, the international community has highlighted the government's still un-met commitment and outlined the international best practices to be included in the Cambodian draft corruption law. Cambodia signed the UN Convention against Corruption in September 2007 and the convention is pending ratification by the National Assembly.

Agreements and Treaties. Cambodia is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention. The National Assembly ratified the 1972 UN Protocol amending the 1961 Single Convention in September 2007 and the King signed it into law the following month. Cambodia is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and illegal manufacturing and trafficking in firearms.

Cultivation/Production. Cannabis-related arrests, eradication and seizures have declined dramatically over the past several years. In 2007, there was an up tick in eradication, with 1,075 square meters

PHNOM PENH 00001376 003 OF 005

of cannabis plantations destroyed in the first nine months, compared to 144 square meters destroyed during the full year 2006. Four people were arrested for cannabis cultivation and/or trafficking between January and September 2007.

Drug Flow/Transit. Crackdowns on drug trafficking in Thailand and China have pushed traffickers to use other routes, including routes through Cambodia. Heroin and ATS enter Cambodia by both primary and secondary roads and rivers across the northern border, transit through Cambodia via road or river networks, and enter Thailand and Vietnam. Effective law enforcement of the border region with Laos on the Mekong River, which is permeated with islands, is nearly impossible due to lack of boats and fuel among law enforcement forces. At the same time, recent improvement in National Road 7 and other roads is increasing the ease with which traffickers can use Cambodia's rapidly developing road network--a trend likely to continue as further road and bridge projects are implemented. Heroin, cannabis, and ATS are believed to exit Cambodia via locations along the Gulf--including the deep-water port of Sihanoukville--as well as the river port of Phnom Penh.

Airports in Phnom Penh and Siem Reap suffer from lax customs and immigration controls. An October 2006 circular from the Prime Minister called for law enforcement agencies to carry out security checks, including x-ray and other screening, at airports. However, according to the NACD, these checks are still conducted by contract employees of the airport concessionaire because the government lacks the funding to buy the required equipment. Some illegal narcotics

transit these airports en route to foreign destinations. On February 15, 2007, a Taiwanese national was arrested at Phnom Penh International Airport with five condoms containing 265 grams of heroin strapped to his lower abdomen. On October 14, 2007, another Taiwanese national was arrested at Phnom Penh International Airport with 800 grams of heroin in his pockets.

Domestic Programs (Demand Reduction). With the assistance of USAID, UNODC, UNICEF, WHO, the Japanese International Cooperation Agency (JICA) and NGOs, the NACD is attempting to boost awareness about drug abuse among Cambodians--especially Cambodian youth--through the use of pamphlets, posters, and public service announcements. A UNODC treatment and rehabilitation project, funded by Japan, will work to increase the capacity of health and human services to deal effectively with drug treatment issues, beginning by conducting an in-depth baseline study of drug use in 2008. Several local NGOs, including Mith Samlanh and Korsang, have taken active roles in helping to rehabilitate drug users.

The Cambodian government recently launched a major initiative to establish additional drug treatment facilities. A 2006 circular from the Prime Minister directed each province to establish residential drug treatment centers. As of October 2007, there were ten government-run treatment centers, with additional centers under construction. A joint NACD/Ministry of Health assessment of these centers, conducted during January and February 2007, documented serious shortcomings. The centers could not conduct proper physical and psychological intake assessments, lacked trained medical staff, did not gain consent from patients over the age of 18, and failed to provide follow-up services or refer patients to organizations that can provide those services. While proven drug rehabilitation techniques include individual and group counseling, cognitive behavioral therapy, relapse prevention, and vocational training, the government facilities rely on confinement, military-style drills, exercise, and discipline to rehabilitate their patients. In addition to the government-run centers, Mith Samlanh operates a small residential rehabilitation program which offers medically-supervised detoxification, individual and group counseling, and referral into Mith Samlanh's extensive network of vocational training and other services.

During the first nine months of 2007, 727 drug users and addicts were admitted to the government-run centers and 89 had received such drug detoxification and rehabilitation services through Mith Samlanh. While estimates of the number of drug users in Cambodia vary widely--from the official 2007 NACD figure of 5,773 to a 2004 UNAIDS estimate of 40,000 with a 5% annual growth rate--it is clear that the need for drug treatment services far outstrips the available supply.

Cambodia is also implementing harm reduction programs for the first time. In 2004, the NACD granted permission to the NGO Mith Samlanh to begin a needle exchange program in Phnom Penh. Korsang now also runs a needle exchange program as well. NACD and the World Health Organization are working to develop a pilot methadone maintenance program, which will likely be implemented at the Khmer-Soviet Friendship Hospital in partnership with Korsang, starting in late 2008.

PHNOM PENH 00001376 004 OF 005

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. For the first time in over three decades, there is relative political stability in Cambodia. However, Cambodia is plagued by many of the institutional weaknesses common to the world's most vulnerable developing countries. The challenges for Cambodia include: nurturing the growth of democratic institutions and the protection of human rights; providing humanitarian assistance and promoting sound economic growth policies to alleviate the debilitating poverty that engenders corruption; and building human and institutional capacity in law enforcement sectors to enable the government to deal more effectively with narcotics traffickers. One unique challenge is the loss of many of Cambodia's best trained professionals in the Khmer Rouge period (1975-1979), as well as during the subsequent Vietnamese occupation. Performance in

the area of law enforcement and administration of justice must be viewed in the context of Cambodia's profound human capacity limitations. Even with the active support of the international community, there will be continuing gaps in performance for the foreseeable future.

Bilateral Cooperation. The recent lifting of U.S. congressional restrictions on direct assistance to the Cambodian government has given the U.S. government increased flexibility in partnering with Cambodia in battling narcotics. The Defense Department's Joint Interagency Task Force-West (JIATF-West) conducted two training missions in Cambodia in 2007 and renovated a military classroom and barracks in Sisophon. In February and March, U.S. Army personnel led training in basic land navigation, patrolling, reconnaissance, and respecting human rights in the line of duty in Battambang. In June 2007, U.S. Navy personnel instructed Cambodian military personnel in Phnom Penh in small boat maintenance.

Cambodia regularly hosts visits from Bangkok-based DEA personnel, and Cambodian authorities cooperate actively with DEA, including in the areas of joint operations and operational intelligence sharing.

In three 2-week sessions during 2007, trainers from the U.S.-based drug treatment organization Daytop International provided training in residential drug treatment techniques to government officials, NGO workers, monks, military and police officials. This training, funded by the State Department's Bureau of International Narcotics and Law Enforcement (INL), was the first comprehensive training on residential drug treatment ever held in the country.

The U.S. and Cambodia worked closely together in the aftermath of the discovery of the Kampong Speu methamphetamine lab. Bangkok-based DEA agents traveled to the site immediately after the discovery to assist in the investigation, and a team of DEA forensic chemists and precursors specialists traveled from the U.S. and other countries to analyze the laboratory. Working through the UNODC, INL provided \$140,000 for the clean up effort, the largest monetary contribution by any country.

Drug use among populations targeted for HIV prevention is a growing concern as it inhibits sexual risk perception and needle sharing is the most efficient means of transmitting HIV. USAID HIV/AIDS programs work with populations at high risk of contracting HIV, including sex workers and their clients, men who have sex with men, and drug users. These groups are not mutually exclusive as many sex workers also use and inject drugs. Prevention programs targeting high risk populations aim to reduce illicit drug use and risky sexual practices.

The Road Ahead. Cambodia is making progress toward more effective law enforcement against narcotics trafficking; however, its capacity to implement a satisfactory, systematic approach to counternarcotics operations remains low. Instruction for mid-level Cambodian law enforcement officers at the International Law Enforcement Academy in Bangkok (ILEA) and for military, police, and immigration officers by JIATF-West has partially addressed Cambodia's dire training needs. However, after training, these officers return to an environment of scarce resources and pervasive corruption.

Now that congressional restrictions on direct assistance to the Cambodian government have been lifted, the U.S. and Cambodia are working together to transfer some excess soldier and unit equipment from the U.S. (such as uniforms, boots, first aid pouches, compasses, cots, and tents) for use by Cambodian Army border battalions. Such equipment will help increase the Cambodian military's ability to conduct patrols along the borders. The JIATF-West training events in FY08 will consist of one event at the newly renovated Sisophon site and another event in Preah Vihear. JIATF-West will continue their training infrastructure renovation

PHNOM PENH 00001376 005 OF 005

project, which will both facilitate future JIATF-West training and also build the capacity of Cambodian law enforcement and military authorities. INL funding for FY08 will be used to support and strengthen Cambodia's narcotics interdiction capabilities. The U.S.

is encouraged that Cambodia has recently signed the UN Convention against Corruption and will continue to press the government to adopt anti-corruption legislation.